



EXHIBIT 2  
DATE 1/13/09  
HB 2

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### **Mission Statement**

The Lottery mission is to maximize revenues for state programs, ensure the Lottery's integrity, and provide excellent customer service.

### **How It All Started**

The Montana Lottery was created in 1986 by a vote of citizens of Montana. Referendum 100, the Montana State Lottery Act, was passed by over 69 percent of the popular vote, carrying each of the state's 56 counties. The first Scratch ticket, *Pot of Gold*, was sold on June 24, 1987.

### **Lottery Commission and Staff**

The Montana Lottery is comprised of a Montana Lottery Commission and 33 Lottery staff (two positions are part-time). 7 Lottery staff members are Regional Sales Representatives that live in different communities across the state and work directly with Lottery retailers. A five-member Commission is appointed by the Governor and oversees the Lottery's operations, sets policy, and determines the type and forms of Lottery games. The Governor also appoints a Director.

### **Where the Money Goes**

The Lottery is a self-supporting business operation of the State of Montana. Ticket sales are used to support important state programs as directed by Montana's Legislature. Since the Montana Lottery sold its first ticket, it has transferred more than \$152 million to the State of Montana. Since 1995, following legislative action, Lottery proceeds have gone to the State's General Fund which provides money for state programs that do not have a dedicated revenue source. More than \$89 million was transferred to the General Fund since 1995.

At least 45% of all sales must be paid out in prizes, and since 1987, more than \$332 million has been paid for prizes.

Retailers earn a 5% commission for each ticket sold and have an opportunity through their Scratch ticket sales to earn up to an additional 5%. To date, Lottery retailers have earned more than \$38 million.

More information on the Montana Lottery is available on our website, [www.montanalottery.com](http://www.montanalottery.com).

### **Montana Sports Action**

Montana Sports Action is a Sports Wagering game facilitated by the Montana Lottery on behalf of the Montana Board of Horse Racing through an Interagency Agreement. The first game offered was Fantasy Football followed by Fantasy Auto Racing. 160 new retailers signed up to offer Montana Sports Action games along with traditional Lottery products at their gaming establishments. Sales at these locations total over \$550,000 since startup of the game August 30, 2008.

### **Fiscal Year 2008 Highlights**

**Total Sales:** \$43.9 million\*

**Transfer:** \$11 million\*\*

**Retailer Commissions:** \$2.6 million

**Prizes:** \$22.8 million

**New Games:** Montana Millionaire  
44 new Scratch games

\*Highest sales in Montana Lottery History

\*\*Second highest transfer to the state's General Fund in Montana Lottery history



Scratch games are easy to play and easy to win. Tickets are available for \$1, \$2, \$3, \$5 and \$10. Each game offers its own unique fun. From the easy fun of a Match 3 to win cash, to the extended fun of Bingo, Crossword or Slingo, or exciting licensed property games such as Harley-Davidson®, there's a game out there for everyone. The prizes range from \$1 to \$100,000, along with some specialty prizes. Most retailers carry anywhere from 10 to 40 Scratch games. The Lottery provides dispensers at no charge. This is the product that can earn you up to ten percent commission!



31 lotteries sell Powerball tickets. Tickets cost \$1 per play. The jackpot starts at \$15 million and grows after each drawing if no player picks all 5 white balls and the Powerball. For an additional \$1 per play, Power Play provides the opportunity to multiply any Powerball prize (excluding the jackpot) by up to five times. Drawings are Wednesday and Saturday. There are nine ways to win. This is the Montana Lottery's most popular game. You receive five percent for each ticket sold.



As the state's very own Lotto game, Montana Cash has more local winners. The jackpot starts at \$20,000 and grows after each drawing if no player picks all five winning numbers. Players get two plays for \$1. Drawings are held on Wednesday and Saturday. There are three ways to win. You receive five percent for each ticket sold.



Twelve states sell Hot Lotto tickets. Tickets cost \$1 per play. The jackpot starts at \$1 million and grows after each drawing if no player picks all five white balls and the hot ball. For an additional \$1 per play, Sizzler provides the opportunity to multiply any Hot Lotto prize (excluding the jackpot) by three times. Drawings are Wednesday and Saturday. There are nine ways to win. You receive five percent for each ticket sold.



Four states sell Wild Card tickets. Players get two plays for \$1. The jackpot starts at \$100,000 and grows after each drawing if no player picks all five white balls and the Wild Card. Drawings are Wednesday and Saturday. There are seven ways to win. You receive five percent for each ticket sold.



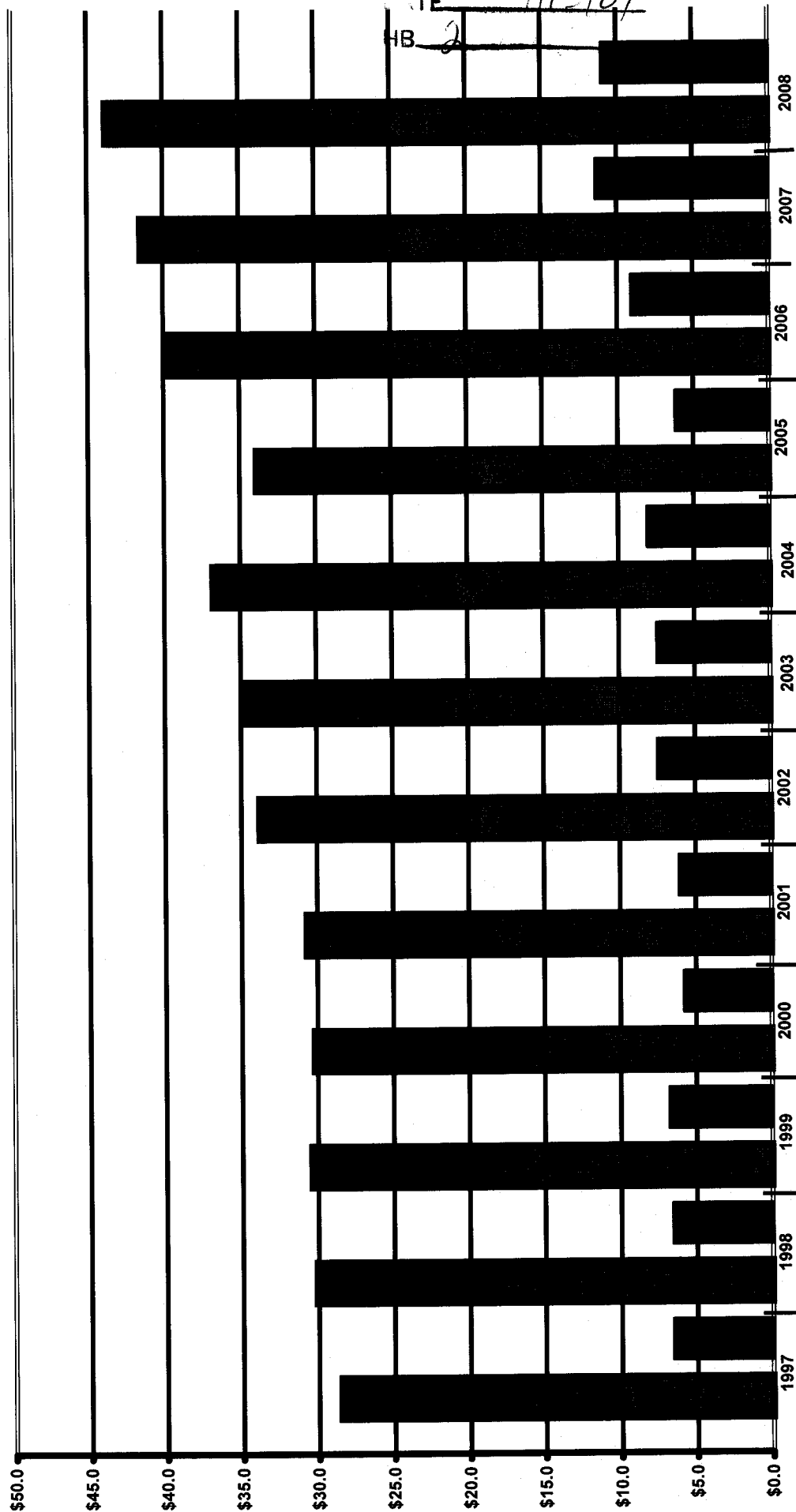
Montana Millionaire debuted in October 2007. Only 150,000 tickets are sold, and because it is a limited-ticket game, it offers the best odds of winning \$1 million. Each ticket cost \$20. One \$1 million prize is awarded, along with five \$100,000 prizes and five \$10,000 prizes.

**Revenue** : Includes ticket sales, earnings on investments, and licensing fees.

Millions of Dollars

**Proceeds to State** : Transfers to the General Fund provides money to state programs such as public health, public safety, education, and other state programs.

Millions of Dollars

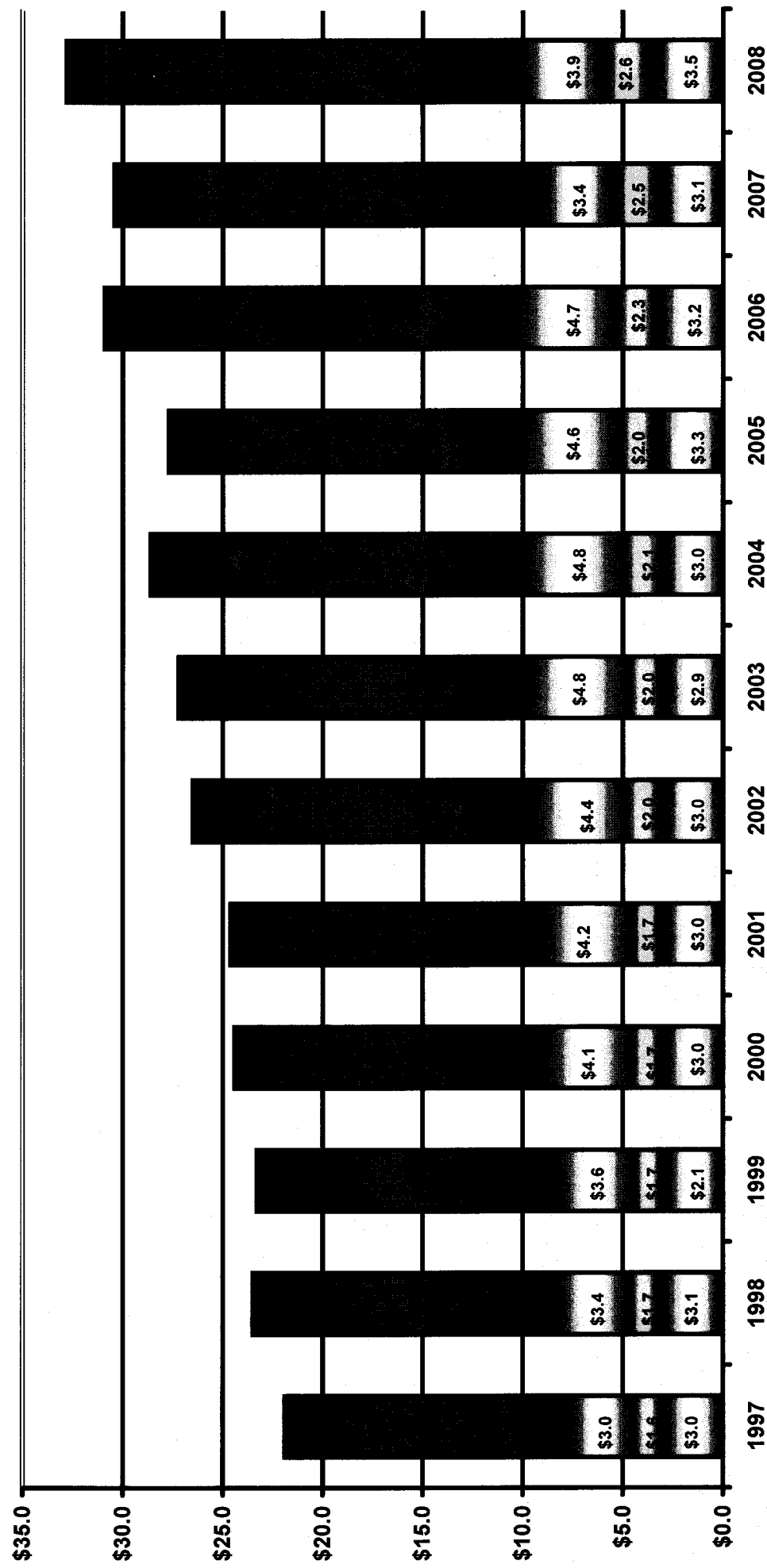


**■ Prizes** : By law, a minimum of 45% of all sales revenue is returned to players in the form of prizes.  
(dollars in Millions)

**▣ Ticket Costs** : Include costs for printing Scratch tickets, and the fee per ticket sold paid to the lottery's on-line vendor.

**▣ Commission** : Lottery retailers earn a 5% base commission on each ticket sold. They also have an opportunity to earn additional commissions through a Scratch ticket incentive program.

**▣ Operations** : The Montana Lottery is responsible for expenses related to the marketing and sales of all Lottery products; public and media relations; the security of all elements of the Lottery; warehousing and inventory control; and Lottery operations which include accounting, fiscal management, information technology, and administration.



# Games & Percent of Revenue

